MRI NETWORK

FIRST FRIDAY PREVIEW

FRONTLINE ANALYSIS BY THE **MRI**NETWORK TEAM OF TALENT ADVISORS

Trend to Watch: Increased Focus on Performance Management

The year 2020 will mark fierce competition among employers who want to hire and, more importantly, retain the best talent at their organizations. After all, unemployment in the U.S. is hovering at near-historic lows, with the most recent Employment Situation report

from by the U.S. Bureau of Labor Statistics illustrating that the unemployment rate within the executive, managerial and professional labor market was just 3.3 percent.

"In 2020, companies will want to ensure their performance reviews are specific, frequent, tied to relevant work and are as practical as possible," says Annette Wehrli, director of leadership and organizational effectiveness for **MRI**Network. "This helps both the organization and employees have candid conversations about progress, development and goal achievement."

For decades, the prevailing wisdom has been that a big annual review at the end of the year is enough to let employees know how they're doing. However, this is no longer true - employees are demanding more frequent and detailed feedback on their work, and managers are responding by making their review practices more flexible and engaging. If your company hasn't updated its performance review practices, it runs the risk of losing top talent to companies that build feedback into their regular business functions from week to week. Also, you'll miss out on the valuable chance to identify and develop employees' professional skill sets.

With 2020 just around the corner, here are some tips to revise your company's performance review practices in order to succeed for the coming years:

"Managers & employees should work together to establish metrics for success...

by doing this, employees are more receptive to feedback & motivated to succeed."

- Annette Wehrli, MRINetwork

1. Make performance reviews an ongoing conversation

The first step to ensuring employees are poised for success is to move the performance review from the annual model to one that's more of an ongoing conversation. Instead of saving comments for the annual review, find ways to provide feedback and discuss priorities with employees on a regular basis. You could hold biweekly, one-on-one check-ins with employees, discuss goals or accomplishments at the beginning or end of each quarter or provide opportunities for group discussions at weekly team meetings.

According to Forbes, this will change these previously dreaded discussions to welcomed, productive dialogue, resulting in more actionable successes. "Before making the change at your company, put a specific plan in place. Meetings can be less formal but should still have a clear framework, including benchmarks and opportunities for setting goals," according to the publication. "The focus should also shift from year-over-year progress to continuous personal growth, setting the cultural precedent that employees are rewarded for growing and learning, not just annually."

2. Embrace offering employees a career path at your organization

Career pathing is a comprehensive process in which managers partner with employees in taking an honest look at their career goals, skills, education, experience and personal characteristics. A plan is developed for achieving what is necessary in each of these areas in order for the employee to advance within the company, providing both employees and employers with a clear understanding of what it will take for workers to move from their current position to where they want to be.
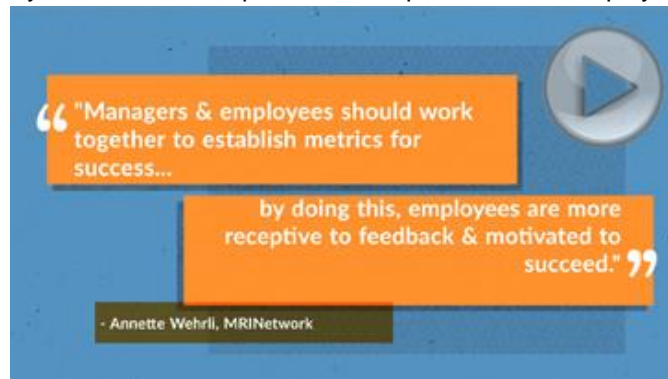
Through this process, employees are empowered to take ownership of their career performance and to align their career goals with the strategic goals of the organization. Career pathing essentially helps companies retain top performing staff by showing them a personalized pathway to advancement.

"By showing employees a tangible, achievable path to growth within your company, you increase the likelihood of improving employee engagement, which leads to greater productivity, happier workers and less attrition," says Wehrli.

To do this, it's important to reserve time during more regularly-scheduled performance review sessions to sit down and learn about the employee's professional aspirations at the company. Then, you should put together a tangible plan for helping the employee reach these goals in a timely and proactive manner.

3. Make transparency and feedback a part of your culture

The performance review, historically, has been thought of as a one-way street. Managers are giving employees their review and it ends at that. However, this is an antiquated approach to performance management. Instead, your company should seek to foster a culture of transparency and feedback for all.

Reviews that benefit both employee and employer are based on honest, open communication, and this is only possible when there is a culture of workplace transparency. Employees should feel comfortable expressing their concerns, and criticism should be communicated in a way that is constructive. In addition to being able to offer feedback to managers, the performance review should also include feedback from fellow colleagues and others at the organization (not just one manager).

According to Forbes, "One review from one manager doesn't really paint a full picture of an employee's holistic performance. The review process should involve the peers they work with every day and at least one direct report, when applicable."

4. Make sure that performance reviews are fair

Too often, employees can discount a manager's review of their work as simply opinion. That is especially the case if the review goes poorly. The benchmarks employees are judged against should be realistic and fair instead of nebulous and entirely subjective.

"Managers and employees should work together to establish metrics for success, so that once reviews occur, there's an objective way to discuss and evaluate performance," says Wehrli. "By doing this, the employee is likely to be more open and receptive to their manager's feedback, and be more involved and motivated to succeed within your organization."

In conclusion, 2020 is the year in which drastically changing your performance review process is essential for your company's continued success. With unemployment so low and companies fighting for the best talent to bring to their organizations, you must do your best to enhance your performance management process to retain employees and set them up for success.